

## PROPOSED CONSTITUTIONAL AMENDMENTS—WATER DEVELOPMENT BONDS

S. J. R. No. 49

Proposing a constitutional amendment authorizing an additional \$400 million in Texas water development bonds that may be issued on approval of two-thirds of the members of each house of the legislature; amending and consolidating the provisions of Sections 49-c, 49-d, and 49-d-1, and repealing Sections 49-d and 49-d-1; or, in the alternative, providing that approval of this resolution constitutes legislative approval of state debt as required by Article VIII of the Texas Constitution, as revised in 1976, providing for submission to the qualified voters of the question of whether to authorize the legislature to provide by law for an increase of \$400 million in the amount of Texas water development bonds that may be issued on approval of two-thirds of the members of each house of the legislature, and providing that approval of the question submitted by a majority of the qualified voters constitutes voter approval of state debt as required by Article VIII of the Texas Constitution, as revised in 1976.

*Be it resolved by the Legislature of the State of Texas:*

Section 1. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the regular session of the 64th Legislature, is not adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(a) Section 49-c of Article III of the Texas Constitution is revised to read as follows:

**"Sec. 49-c. Texas Water Development Bonds and Contracts**

"(a) The issuance of Texas water development bonds is hereby authorized in an aggregate principal amount not to exceed \$400 million. The legislature by a record affirmative two-thirds vote of the membership of each house may authorize the issuance of all or any part of an additional aggregate principal amount of Texas water development bonds not to exceed \$400 million. Bonds authorized under this subsection may be issued only for such water development purposes as prescribed by law.

"(b) The issuance of Texas water development bonds is hereby authorized in an aggregate principal amount not to exceed \$100 million, which bonds may be issued only for such water quality enhancement purposes as prescribed by law.

"(c) Texas water development bonds are issued in such manner and installments and upon such terms and conditions, bear such rates of interest, and mature as prescribed by law. The legislature shall provide by law for such other implementation of this section as the legislature determines appropriate.

"(d) Texas water development bonds are secured by the full faith and credit of the state, and there is hereby appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, an amount which is sufficient to pay the principal and interest on such bonds that mature or become due during such fiscal year, less the amount in the sinking fund at the close of the prior fiscal year. No bonds authorized under this section may be issued without prior approval of the attorney general and registration by the comptroller of public accounts; after approval, registration, and delivery to the purchaser the bonds are incontestable.

"(e) The legislature by law may provide for the execution of contracts in excess of two years duration between the state or a state agency and

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the United States or any of its agencies to acquire or develop storage facilities in reservoirs constructed or to be constructed by the federal government. Contracts executed under this subsection are general obligations of the state and are part of the state debt authorized under Subsection (a) of this section.

"(f) No state fund established for purposes of water development, whether funded by the sale of Texas water development bonds or from other sources, may be used to finance a project that contemplates or results in removing surface water from the river basin of origin if the surface water is necessary to supply the reasonably foreseeable water requirements of the basin for the ensuing 50 years. This subsection does not apply to a removal of water on a temporary, interim basis. However, no such state fund may be used for the development of water resources from the Mississippi River.

"(g) The aggregate amount of bonds and contracts authorized by this section includes Texas water development bonds and contracts issued before the effective date of this amendment. Texas water development bonds or other evidences of indebtedness issued before the effective date of this amendment remain valid and enforceable in accordance with their terms and subject to all applicable terms and conditions. The state or a state agency shall continue to provide for a source or sources of payment in accordance with the terms of these bonds or other evidences of indebtedness until the obligations are paid in full.

"(h) No single water development project requiring an expenditure of proceeds of Texas water development bonds in an aggregate amount in excess of \$35 million may be undertaken unless:

"(1) the expenditure is approved by concurrent resolution adopted by a majority of the members of each house of the legislature; or

"(2) the project is a part of a statewide water development plan approved by concurrent resolution adopted by a majority of the members of each house of the legislature."

(b) Subdivisions (1) and (3) of the constitutional amendment proposed by this section do not become effective until implemented by law.

(c) Sections 49-d and 49-d-1 of Article III of the Texas Constitution are repealed.

(d) The constitutional amendment proposed by this section is to be submitted to a vote of the qualified electors at an election to be held on the first Tuesday after the first Monday in November, 1976, at which election the ballots are to provide for voting for or against the proposition: "The constitutional amendment authorizing an increase of \$400 million in the amount of Texas Water Development Bonds that may be issued on approval of two-thirds of the legislature; amending and consolidating provisions of Sections 49-c, 49-d, and 49-d-1 of Article III of the Texas Constitution; and repealing Sections 49-d and 49-d-1 of Article III of the Texas Constitution."

Sec. 2. That if Section 49-c, 49-d, or 49-d-1 of Article III of the Texas Constitution is renumbered because of the adoption on November 4, 1975, of one or more amendments proposed by Senate Joint Resolution No. 11, as passed by the 64th Legislature in the 1975 regular session, the secretary of state with the approval of the attorney general shall appropriately renumber and change the cross-references of the amendment contained in Section 1 of this resolution to conform to the renumbered sections in Article III. The changes are to be made at least 90 days before the first Tuesday after the first Monday in November, 1976.

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Sec. 3. That if the constitutional amendment proposed in Section 5 of Senate Joint Resolution No. 11, as passed in the regular session of the 64th Legislature, is adopted by a majority of the qualified electors voting on the question on November 4, 1975:

(a) Approval of this resolution by a record affirmative two-thirds vote of the membership of each house of the 64th Legislature in regular session is hereby declared to constitute legislative approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(b) The ballot at an election to be held on the first Tuesday after the first Monday in November, 1976, is to provide for voting for or against the proposition: "Authorizing an increase of \$400 million in the amount of Texas Water Development Bonds that may be issued on approval of two-thirds of the legislature and in accordance with Senate Joint Resolution No. 49 as passed by the 64th Legislature in regular session." Approval of this proposition by a majority of the qualified voters voting on the question is hereby declared to constitute voter approval of state debt in conformity with Section 8 of Article VIII of the constitution.

(c) Approval of state debt in the manner provided by this section permits the legislature to authorize by law the issuance of Texas water development bonds in the amounts prescribed by and otherwise in accordance with Section 49-c contained in Subdivision (a) of Section 1 of this resolution. However, an implementing law under this section must provide that no single water development project requiring an expenditure of proceeds of Texas water development bonds in an aggregate amount in excess of \$35 million may be undertaken unless:

(1) the expenditure is approved by concurrent resolution adopted by a majority of the members of each house of the legislature; or

(2) the project is a part of a statewide water development plan approved by concurrent resolution adopted by a majority of the members of each house of the legislature. An implementing law under this section must further provide that no state fund established for purposes of water development may be used for the development of water resources from the Mississippi River.

(a) Approval of state debt under this section becomes effective on the date of the final canvass of the returns.

Adopted by the senate on April 17, 1975: Yeas 23, Nays 7; May 30, 1975, senate concurred in house amendments: Yeas 26, Nays 5; adopted by the house, with amendments, on May 27, 1975: Yeas 119, Nays 19.

Signed by the Governor June 20, 1975.